

**LA VISTA CITIZEN ADVISORY REVIEW COMMITTEE**

To: Mayor and City Council

Dt: June 9, 2022

Fr: City Advisory Review Committee

Re: Economic Development Program Review

The Citizen Advisory Review committee is required to report to the Mayor and City Council at least once every six months regarding the Economic Development Program. The following is provided for the Committee's information and generally covers activity for FY21 (the period from October 1, 2020 to September 30, 2021) and FY22 to date, which began on October 1, 2021.

The Economic Development Program has received and approved four applications for assistance to date. The first application was from John Q. Hammons to construct a full service Embassy Suites Hotel and conference center facility. This project was closed out in 2018.

The second application was for a \$3 million grant to City Ventures to help with the construction of a state-of-the-art music venue in City Centre, located in the redevelopment area along 84<sup>th</sup> Street. This application was approved in February of 2020. In May of 2021 City Ventures submitted a supplement to their original application asking for an additional \$2.5 million for the music venue project in the form of a loan that will be paid back with interest. This supplement was also approved, resulting in a total of \$5.5 million in grants/loans for the project.

In October of 2021 an application from the Omaha Multi-Sport Complex, Inc. for a \$3 million grant for the development, construction and operation of Phase 1 of a premier multisport complex comprised of twelve synthetic multisport playing fields and related amenities was approved.

1. The City's assessed valuation for FY21 was \$1,755,107,309, and the new assessed valuation for FY22 is \$1,998,058,005. This is an increase of 13.8%. Over the past several years, the growth in the City's valuation has averaged approximately 5.6% annually. It should be noted that this unusually large increase in valuation is attributed in part to an extreme increase in the personal property tax portion of the valuation. Upon investigation it was discovered that a large company in the City that qualifies for state incentives did not submit their request to the State last year. It is anticipated this error will be caught at some point and the incentives granted. Consequently, the reported valuation amount might not hold at this level.

FY2018 Valuation - \$1,496,821,908 (up 6.11%)

FY2019 Valuation - \$1,542,141,658 (up 3.02%)

FY2020 Valuation - \$1,651,417,826 (up 7.08%)

FY2021 Valuation - \$1,755,107,309 (up 6.27%)

FY2022 Valuation - \$1,998,058,005 (up 13.8%)

2. Earned sales and use tax revenue has traditionally increased from year to year, however it was down slightly in FY19 and again in FY20 due to the pandemic. Even though FY20 showed a decrease, all things considered, sales and use tax revenues held very steady. We had projected a significant decrease in this revenue source and that was not the case. FY21 showed a rebound in sales and use tax revenue. A reminder that we look at what the City has "earned" in sales tax prior to any state incentive refunds being deducted in order to determine what businesses are actually generating. The City has built a sales and use tax reserve for potential future rebates.

FY2017 Sales and Use Tax - \$7,550,882 (actually received - \$1.7 million rebate to SON; earned total up 12.3% over FY16)

FY2018 Sales and Use Tax - \$8,033,943 (actually received - \$2.4 million rebate to SON; earned total up 12.8% over FY17)

FY2019 Sales and Use Tax - \$9,509,936 (actually received - \$500,000 rebate to SON; earned total down 4.2% over FY18)

FY2020 Sales and Use Tax - \$8,220,233 (actually received - \$1.3 million rebate to SON); earned total down 5.1% over FY19) Pandemic Year

FY2021 Sales and Use Tax - \$10,062,860 (actually received - \$1.35 million in rebates to SON); earned total up 19.8% over FY20)

FY2022 Sales and Use Tax - \$7,223,625.77 (actually received October through May - \$1.76 million in rebates to SON)

3. Building permit valuations are reported in calendar year, not fiscal year. The past several years have remained fairly consistent. 2020 was the highest year we have seen since 2007.

2017 - \$43,036,890  
2018 - \$45,980,935  
2019 - \$36,332,465  
2020 - \$64,354,002  
2021 - \$48,919,416  
2022 - \$16,766,939 (Through April)

Total building permit valuations since 1997 are over \$1.3 billion